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## Statement of Senator Mansfield

Mike Mansfield 1903-2001

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## Senate

(Legislative day of Tuesday, September 1, 1964)

### SOCIAL SECURITY AMENDMENTS OF 1964

Mr. MANSFIELD. Mr. President, to the best of my knowledge, the United States is the only industrial nation in the Western World which does not have a program of hospital insurance for its elder citizens. Our aged number 18 million at the moment and their ranks are increasing at the rate of 1,000 per day.

I, for one, believe that attention on a hospital-nursing home care basis should be accorded to our elder citizens, and I believe, further, that this should be done on a dignified basis through social security payments toward their care in the twilight of their lives.

The Gore-Anderson substitute now being considered by the Senate is not socialized medicine and would not be directed at the medical profession. This proposal would make it possible for aged people to pay for hospital and nursing home care. This, I believe, would prove to be a boon to doctors and, as I will indicate later, offers no threat to them in their profession. It would be well for us to keep in mind the fact that only a little over one-half of the elderly have any kind of health insurance protection and over 8 million older citizens have no health insurance at all. Some 3 million people have commercial health insurance policies that pay \$10 a day or less for hospital room and charges.

The problem of taking care of our aged is not only one which affects our older citizens, but it also affects their children and their grandchildren as well. People who have worked hard all their lives, who have saved their money toward retirement find that their plans have been disrupted because of the increased cost of hospital and nursing care and, as they grow older, to their greater susceptibility to illnesses of longer duration.

This proposal would not displace the Kerr-Mills bill which, generally speaking, applies only to the medically indigent and varies in its application from State to State. It is my understanding that approximately 30 States at the present time have Kerr-Mills in operation or are preparing to make their contribution to become eligible and that approximately 20 States have made no plans whatsoever to become eligible under the Kerr-Mills Act.

In brief, the Gore-Anderson plan provides for hospital, nursing home, health home, and out-patient services to persons 65 or over eligible to receive—or

receiving—social security or railroad retirement benefits financed by an increase in taxes for workers and employers under the social security and railroad retirement administrative mechanisms. Similar benefits are provided certain uninsured individuals 65 or over out of general Federal revenues. No benefits are provided for any doctor or physician expenses and physicians and private doctors are not covered in any way by this plan.

#### BENEFITS FURNISHED BY GORE PLAN

The benefits would consist of payments to health facilities and organizations for services rendered to covered individuals. Such payments may be made for the following kinds of services:

First. Inpatient hospital care for 90 days per benefit period subject to a deductible of \$10 per day for the first 9 days, but not less than \$20; or, upon election, 45 days per period with no deductible, or, upon election, 180 days with a deductible of the lesser of (a) 2½ times the average per diem rate for such services throughout the Nation under the program—until 1967 the bill sets the per diem rate at \$37, thus the deductible initially will be \$92.50—or (b) charges customarily made for such services by the hospital which furnished them. There may be only one election under this provision and it is irrevocable. The election must be made during the first 2 months in the 3-month period preceding the month in which the individual has both attained age 65 and is eligible for benefits.

Second. Skilled nursing facility services up to 60 days—in lieu of 180 days under King-Anderson—in a benefit period after transfer from a hospital in an institution which is affiliated or under common control with the hospital.

Third. Home health services up to 240 visits a year.

Fourth. Outpatient X-ray, laboratory and diagnostic services—there is no durational limit, but subject to a \$20 deductible per 30-day period.

#### ELIGIBILITY FOR BENEFITS

First. All persons who (a) are age 65 or over; and (b) are eligible to receive—or receiving—social security or railroad retirement benefits.

Second. All persons not insured under social security or railroad retirement who either (a) have reached age 65 before 1967; or (b) have reached age 65 after 1966 if they have 3 quarters of coverage for each year elapsing after 1964 and before the year they reach age 65.

Excluded from No. 2 would be non-residents or resident aliens with less than 10 years in the United States, members of certain subversive organizations, persons convicted of certain subversive crimes, employees of the Federal Government, and persons eligible for benefits under the Federal employee or retired Federal employee health plans.

#### FINANCING

First. In order to finance benefits for social security eligibles there would be an increase in the tax on employers and employees and the self-employed, as follows:

#### Contribution rates

	Employer and employee, each	
	Present law	Amendment 1178
1965.....	3.625	4.25
1966-67.....	4.125	4.5
1968-70.....	4.625	5.0
1971 and thereafter.....	4.625	5.2

Under the Railroad Retirement Tax Act an increase in social security tax results in comparable increase in railroad retirement tax.

There will be an increase in the maximum taxable earnings under social security from \$4,800 to \$5,600, effective January 1, 1965. A separate trust fund for the hospital insurance program would be established.

Second. For ineligibles under social security and railroad retirement there would be an authorization of appropriation out of general revenues.

In addition, the Gore-Anderson plan provides that if hospital costs rise after 1965 and the earnings base for taxes is not changed proportionally, then in 1969 beneficiaries of hospitalization will be charged a daily amount equal to the difference between the national average per diem rates in 1964-65—\$36—and the average per diem rate for the 2 years prior to 1969.

#### GENERAL SOCIAL SECURITY COVERAGE IN ADDITION TO HEALTH PLAN BENEFITS

The pending Gore-Anderson amendment provides for a \$7 increase in benefit payments for all primary beneficiaries in lieu of the 5-percent benefit increase in the committee bill.

The amendment to be proposed by Senator JAVITS and acceptable to Senators GORE and ANDERSON is designed to assure that insurance for physician's services will remain under private insurance auspices. Thus, there can be no question whatsoever that the proposal adequately safeguards private physicians from any interference by the Federal Government.